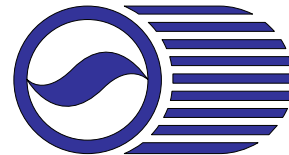




Regulatory Advisory

September 30, 2010



Greenhouse Gas Reporting Advisory 10-01

Mandatory GHG Emissions Data Report Verification: Two-Month Grace Period for Operators Subject to October 1, 2010 Verification Deadline

The California Air Resources Board (ARB) is implementing the first required year of greenhouse gas (GHG) emissions data report verification. Given that this is the first year of the verification program, ARB understands that most reporters and verifiers are still learning the verification requirements in the Mandatory Reporting Regulation (Regulation) and understanding the verification process. In order to ensure adequate time for reporters and verifiers subject to the Regulation's October 1, 2010 verification deadline to complete verification, ARB is administratively providing a one-time grace period of two months for submittal of the verification opinions due by that date. As such, verification opinions subject to the October 1, 2010 deadline must be submitted by December 1, 2010.

Background and Current Action

On December 6, 2007, the California Air Resources Board adopted the Regulation for the Mandatory Reporting of Greenhouse Gas Emissions, as required by the California Global Warming Solutions Act of 2006. The regulation became effective January 2, 2009, and is codified at title 17, California Code of Regulations, sections 95100-95133. The rule requires major sources of GHG emissions to report those emissions to the State of California every year beginning in 2009 and have their emissions data reports verified beginning in 2010. Affected businesses and public agencies include operators of power plants, cogeneration facilities, cement plants, refineries, hydrogen plants, retail providers and marketers of electricity, and general stationary combustion facilities emitting 25,000 metric tons of carbon dioxide in a calendar year. Operators of certain facilities -- including general stationary combustion facilities outside the oil-and-gas sector, and electricity generation and cogeneration plants not within the operational control of larger facilities and entities -- are required to have the first verification opinions submitted by October 1, 2010 for their 2009 emissions data reports. Remaining facilities and entities must have their verification opinions submitted by December 1, 2010.

For this initial year of verification, ARB will not consider enforcement action against any operator or verifier for the failure to have a verification opinion for a 2009 emissions data report submitted until after December 1, 2010.

Compliance and Enforcement Questions & Answers

Is ARB administratively delaying the enforcement of the October 1, 2010 deadline for submitting verification opinions of 2009 GHG emissions data reports?

Yes. ARB will administratively delay the enforcement of the October 1, 2010 verification deadline until after December 1, 2010. This action provides a two-month grace period for operators of general stationary combustion facilities and specified electricity generation and cogeneration facilities subject to the October 1, 2010 verification deadline.

Does this action affect the December 1, 2010 verification deadline for additional operators?

No. The regulation's December 1, 2010 verification deadline for retail providers, marketers, cement plants, refineries, hydrogen plants, and general stationary combustion sources within the oil-and-gas sector remains unchanged. This means that all facilities subject to the regulation must file their first verification opinions on or before December 1, 2010, regardless of sector.

Does this administrative action affect future years?

No. Enforcement of deadlines in the regulation is unchanged for 2011 and later years.

For more information:

To obtain a copy of the regulation, visit ARB's GHG Mandatory Reporting website at <http://www.arb.ca.gov/cc/reporting/ghg-rep/ghg-rep.htm>. For more information on GHG verification, visit ARB's GHG Emissions Verification website at <http://www.arb.ca.gov/cc/reporting/ghg-ver/ghg-ver.htm>. You may send questions by e-mail to ghgverify@arb.ca.gov. Or, you may contact Miss Rajinder Sahota, Manager, Climate Change Verification and Protocols Section, at (916) 323-8503. If you have a disability-related accommodation need, please go to <http://www.arb.ca.gov/html/ada/ada.htm> for assistance or contact the ADA Coordinator at (916) 323-4916. If you are a person who needs assistance in a language other than English, please contact the Bilingual Coordinator at (916) 323-7053.